GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:339
ANSWERED ON:18.08.2006
SUBSIDY ON FOODGRAINS QUESTION .
Singh Shri Sitaram

Will the Minister of FINANCE be pleased to state:

(a) Whether the World Bank has advised the Government to curtail the subsidy being provided on foodgrains ;

(b) If so, details thereof;

(c) The reaction of the Government thereto; and

(d) The steps taken by the Government to reduce the subsidy being provided on foodgrains?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)
(a) to (d): A Statement is placed on the Table of the House.

POSITION NO.19

Statement referred to in reply to Lok Sabha Starred Question No.339 (POSITION No.19) for answer on August 18, 2006 by SHRI SITARAM SINGH regardingSubsidy on Foodgrains.

(a) &(b) : There is no advice from World Bank regarding curtailing the subsidy being provided to foodgrains.

(c)& (d) : The Government incurs food subsidies in fulfilling its obligations towards distributive justice through minimum nutritional support to the poor. The Government is committed to the National Common Minimum Programme which mandates targeting all subsidies at the poor and truly needy. Extensive discussions have been held with stake- holders on food subsidy . The Government seeks to evolve a consensus on the issue of subsidies.

The expenditure on food subsidies in the last four years are as follows:

Year	Food Subsidy (Rs crore)
2003-04	25181
2004-05	23280
2005-06	23078
2006-07(BE)	24200

Provisional and unaudited .